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APPELLANT'S BRIEF ON APPEAL UNDER 37 C.F.R. §41.37
U.S. Application Serial No. 09/315,822
Attorney Docket No. 031792-0311520

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE PATENT
APPLICATION OF: CHRISTENSEN, Scott N.

SERIAL NO.: 09/315,822

ATTORNEY
DOCKET NO: 031792-0311520

FILING DATE: May 21, 1999

ART UNIT: 3622

EXAMINER: A. DURAN

FOR: VIRTUAL COUPONING METHOD AND APPARATUS FOR USE WITH
CONSUMER KIOSK

APPELLANT'S BRIEF ON APPEAL UNDER 37 C.F.R. §41.37

Mail Stop Appeal Brief - Patents

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

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Further to the Notice of Appeal filed on September 23, 2005, Appellant respectfully submits Appellant's Brief on Appeal pursuant to 37 C.F.R. §41.37.

Appellants have filed concurrently herewith a petition for a one month extension of time. 37 C.F.R. §1.17(a)(1). The Director is authorized to charge \$475.00 to cover the \$225.00 petition fee, as well as the \$250.00 small entity fee for filing an Appeal Brief pursuant to 37 C.F.R. §41.20(b)(2). The Director is further authorized to charge any additional fees that may be due, or credit any overpayment of same to Deposit Account No. 033975 (Ref. No. 031792-0311520).

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REQUIREMENTS OF 37 C.F.R. §41.37

I. Real Party in Interest - 37 C.F.R. §41.37(c)(1)(i)

The real party in interest is E-centives, Inc. by virtue of the Assignment recorded on November 12, 1999 at Reel 010376/Frame 0239.

II. Related Appeals and Interferences - 37 C.F.R. §41.37(c)(1)(ii)

There are no related Appeals or Interferences.

III. Status of Claims - 37 C.F.R. §41.37(c)(1)(iii)

Pending: Claims 1-27 are pending.

Cancelled: None

Rejected: Claims 1-27 stand rejected.

Allowed: No claims have been allowed.

On Appeal: Claims 1-27 are appealed.

IV. Status of Amendments - 37 C.F.R. §41.37(c)(1)(iv)

The Final Office Action was mailed (hereinafter "Final Action") July 26, 2005. An After Final Amendment (hereinafter "After Final") under 37 C.F.R. 1.116 was filed on September 23, 2005 to amend the Specification and the Claims. The Claim amendments were to clarify the claim language. No new matter was added. The amendments to the Specification were to update and correct the Cross-References section of the application. An Advisory Action was issued on December 13, 2005 indicating that the amendments to the Specification would be entered. A Supplemental Advisory Action was issued on

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January 5, 2006 indicating that the amendments to the Claims would also be entered. The current pending claims are presented herein. *See* Section entitled "VIII. Claims Appendix."

V. Summary of Claimed Subject Matter - 37 C.F.R. §41.37(c)(1)(v)

The following exemplary citations to the Specification and drawing figures are not exclusive, as other examples of support for the claimed subject matter may exist. As such, the following citations should not be viewed as limiting.

One aspect of Appellant's invention relates to an *in-store* system for generating and redeeming coupons (e.g., within a store or other retail location). *See* Specification, e.g., pg. 1, line 1+. According to one aspect of the invention, the system includes means *at the retail location* (e.g. at the checkout) for determining whether the coupon is valid, *prior* to giving the consumer credit. The invention, in part, addresses problems of the prior art wherein a consumer was given a credit at the retail location (without checking the validity of the coupon) and subsequently the coupons were sent from the retailer to a coupon redemption center for processing, only then to learn the coupon was fraudulent. In some cases, these coupon processing centers¹ may have taken certain steps to determine the validity of the coupon, but clearly these steps were performed long after a consumer received credit for the coupon. So even if fraudulent activity was detected, it was after the consumer received the credit.

As detailed below, merely checking if the consumer has purchased a product for which the coupon is eligible does not identify whether the coupon itself is valid.

¹ It is well known that coupon redemption centers refer to locations where retailers sent coupons that have already been redeemed by consumers so that the retailer can receive credit from the coupon issuer for the discounts provided to the consumer (e.g., coupon clearing house.)
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Assuming a consumer purchases a product for which the consumer has coupon, this merely indicates that the product is "coupon eligible." The coupon may still be fraudulent.

One common type of consumer coupon fraud occurs when a consumer makes multiple copies of the same coupon and tries to separately redeem the multiple copies. Other types of consumer coupon fraud exist. In this (and other scenarios), even if the consumer purchases a coupon eligible product, fraud may occur due to the unauthorized copying and multiple redemptions of the coupon (or copies) by the consumer. One aspect of the invention may include, among other things, a means at the retail location (e.g., at a retail location checkout) for counting the number of times the consumer redeemed a particular coupon and fraud indication means for indicating fraud if the number of times a coupon is redeemed by the consumer exceeds a predetermined amount. *See Specification e.g., pg. 45 lines 15-22.* For example, in one implementation, a consumer may present a coupon at the retail location checkout where a bar code on the coupon is electronically scanned during checkout and a database is accessed, *prior to giving the consumer a credit for the coupon.* Data from the database (e.g., repository 126) may be read to determine whether the coupon is valid (e.g., has not been previously redeemed more than a predetermine number of times) before crediting the consumer with the value associated with the coupon. *See Specification, e.g., pg. 32, lines 11-19.* Other validation steps may be performed. The recitation of "means for indicating fraud" may refer to, for instance, an error message (906). An error message (906) may be displayed to the user to indicate that fraud has been detected (e.g., based on exceeding the number of times a coupon can be redeemed). This real-time determination of whether the coupon is valid prior to crediting the consumer is one important factor that distinguishes the invention over the art of record. To aid in understanding the legal errors in the rejections, it is important to

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understand the differences between: i) determining whether a product is "coupon eligible" and whether the coupon itself is valid; ii) in-store validation *prior to crediting* the consumer with the value associated with the coupon and *after the fact* processing by a coupon redemption center; iii) consumer fraud (e.g., unauthorized copying of coupons) and retailer fraud (which involves other well known issues) CITE; and iv) counting the number of times a coupon (or a copy thereof) is redeemed and limiting the number of coupons that can be printed in the first place.

As detailed below, the references the Examiner relies on relate primarily to coupon eligibility, after the fact processing by a redemption center, retailer fraud and/or limiting the number of times a coupon can be printed. None of the references relied on disclose in-store validation *prior to crediting* the consumer with the value associated with the coupon.

According to other aspects of the invention, as recited in the independent claims, the system may have a database of coupon information, including at least information about coupons available, consumer account information, and information for associating selected ones of the available coupons with consumer accounts; *see* Specification e.g., FIG. 1 and FIG. 8; and pg. 47 lines 8-17; means, located at a retail store (e.g., in-store computer), for accessing the database. The database(s) can be in store or remote. The means for accessing the database may include at least an input means (e.g., keyboard), display means, and selection means (e.g., graphical user interface). *See* Specification, e.g., pg. 33 lines 28- pg. 34 line 3; pg. 26 lines 12-24; FIG. 4, pg. 27 line 28- pg. 28, line 2; and pg. 28, lines 15-26. The means for accessing the database may also include one or more of a computer diskette (310) and keyboard. Accessing may also include transmitting data to and from a remote computer network using modem dialup, Internet, on-line service, ISDN, and/or other data transmission scheme. *See* Specification, e.g., pg. 47 lines

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14-17. For example, while at a retail store, the keyboard (or other input device) enables a consumer to enter consumer account information (or a validation code), which allows the consumer to view on the screen(s) coupon information that is associated with the customer's account information. Using the menu system (e.g., FIG 4: screen 6) presented on the screen the consumer selects, for example, a category icon and/or a graphical representation of a coupon, to indicate the desired selection. *See Specification, e.g., pg. 28, lines 15-26.*

According to one implementation, a printer is located at the retail location for printing selected coupon(s). *See Specification, e.g., FIG. 7, pg. 30, lines 1-6.* A printed coupon may be presented in the redemption means at a retail location using a scanner. The redemption means (e.g., scanner) may also be implemented by retrieving coupon information from the database. A determining means, which may include structure at the retail location checkout counter, can access a database (in-store or remote) to determine if the coupon presented by the consumer is valid prior to crediting the customer with the redemption value associated with the coupon. The determining means may include the retail location checkout accessing the database in real-time. *See Specification, e.g., pg. 45 lines 15-22.*

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**VI. Grounds of Rejection to be Reviewed on Appeal - 37 C.F.R.
§41.37(c)(1)(vi)**

- A. Claim 18 stands rejected under 35 U.S.C. §112, first paragraph, as allegedly containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or which it is most nearly connected, to make and/or use the invention. *See Final Action, pg. 2.*²
- B. Claims 1-16, 19, and 24-27 stand rejected under 35 U.S.C. §102(e) as allegedly being unpatentable over U.S. Patent No. 6,321,208 to Barnett *et al.* ("Barnett"). *See Final Action, pg. 3.*³
- C. Claims 1, 4, 9, 10, 11-15, 16, and 24-27 stand rejected under 35 U.S.C. §102(b) as allegedly being anticipated by U.S. Patent No. 4,674,041 to Lemon *et al.* ("Lemon"). *See Final Action, pg. 16.*
- D. Claims 16-27 stand rejected under 35 U.S.C. §102(e) as allegedly being anticipated by U.S. Patent No. 5,887,271 to Powell. *See Final Action, pg. 21.*

VII. Arguments - 37 C.F.R. §41.37(c)(1)(vii)

Each rejection should be reversed for the reasons set forth herein.

The rejection of claim 18 is legally incorrect because the claims are fully supported by the Specification and satisfy each of the requirements of 35 U.S.C. §112, first paragraph.

The rejection of claims 1-16, 19, and 24-27 over Barnett is legally incorrect because Barnett fails to disclose, teach or suggest at least the claim feature of a "redemption means, at the retail location *including...*means for determining if a coupon

² Despite characterizing the Section 112 rejection as an enablement rejection, it appears that the Examiner, in fact, is relying on lack of adequate written description. The articulated factual basis for the rejection is that "the specification allegedly does not expressly support '...printing means for printing a temporary frequency card'." See Final Action at pg. 2 last paragraph. This basis for the rejection sounds more like a written description rejection.

³ Despite characterizing the rejection as a Section 103 rejection, the Examiner alleges that "claims 1-15, 16, 19 and 24-27 are rejected under 35 U.S.C. 102(e) as being unpatentable over Barnett *et al.*" While neither ground of rejection is proper, that lack of clarity creates unnecessary issues.

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presented by consumer is valid *prior* to crediting the consumer a redemption value associated with the coupon," hereinafter referred to as the "Coupon Validation Limitation." See claims 1, 11, and 16.

The rejection of claims 1, 2, 9, 10, 11-15, 16, and 24-27 under 102(b) over Lemon is legally incorrect because the Examiner fails to establish a *prima facie* case of anticipation. Lemon fails to anticipate each and every claim feature including, at least, the Coupon Validation Limitation, as required in an anticipation rejection.

The rejection of claims 16-27 under 102(e) over Powell is legally incorrect because the Examiner fails to establish a *prima facie* case of anticipation. Powell fails to anticipate each and every claim feature including, at least, the claim feature of "scanning coupons at the retail location checkout" and the Coupon Validation Limitation.

A. Claim 18 is enabled by the Specification.

The rejection of Claim 18 under Section 112 for allegedly failing to "support" the recitation of "printing means, for printing a temporary frequency card," is legally baseless. Claim 18 is fully supported by the Specification and satisfies each of the requirements of 35 U.S.C. §112, first paragraph.

35 U.S.C. §112, first paragraph recites:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The Examiner correctly admits that the Specification "discloses using a coupon list as a temporary frequency card," but improperly alleges that "the Specification does not expressly support '...printing means for printing a temporary frequency card'." See Final 400093387v3

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Action at pg. 2, last paragraph. In numerous places throughout the Specification, there is express disclosure that the coupon list (e.g., frequency card) may be printed using a printing means. *See* Appellant's Specification, e.g., pg. 30, line 27- pg. 31, line 9 and pg. 32, lines 3-5. In light of this, it is wholly without legal merit that the Examiner alleges this element is not supported. As such this rejection must be reversed.

B. The Section 102(e) Rejection of Claims 1-16, 19, and 24-27 is Legally Deficient.

The rejection of claims 1-16, 19, and 24-27 under 35 U.S.C. §102(e) over Barnett⁴ is legally improper because the Examiner has failed to establish that each of the claim elements are disclosed in Barnett as required for a proper rejection under 35 U.S.C. §102(e). Barnett fails to disclose, among other things, the Coupon Validation Limitation. See claims 1, 11, and 16.

In fact, the Examiner acknowledges that Barnett fails to expressly disclose a system at a retail location, as claimed. *See* Final Action at pg. 6, lines 1-4. The Examiner then attempts to combine the features of Barnett with a separate patent to Spector (U.S. 5,176,224). Spector is mentioned in the background of Barnett. However, this purported combination is inappropriate in a rejection based on *anticipation* under 35 U.S.C. § 102(e). The Examiner cites no legal support for properly combining references in this way under section 102.

⁴ The Examiner makes numerous statements regarding Barnett. Applicant does not necessarily agree with all of the Examiner's characterizations of Barnett. Nevertheless, many of the statements made are irrelevant to the real issues. Thus, Appellant will not address these issues herein. But it should be clear that Appellant is in no way acquiescing in any of the Examiner's erroneous characterizations.

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I. The Section 103 Rejection of Independent claims 1, 11, and 16 is Legally Improper

Even if the references could be combined under section 103 (which is not admitted), the combination would not preclude patentability. Neither Barnett nor Spector disclose, among other things, the Coupon Validation Limitation.

In one implementation, Barnett discloses, among other things, a consumer printing a coupon (18) from their personal computer (6), and presenting and redeeming the coupon at a retailer (10). *See Barnett at FIG. 1, and col. 7 lines 13-18.* A coupon redemption center (13) receives, from a number of retailers (10), coupons that have *already* been redeemed by consumers. The redemption center (13) processes the coupons *after* they have been redeemed by the consumer to enable the retailer to be credited, as is known in the art.

Barnett does not disclose validating the presented coupons *prior to* crediting the consumer with a redemption value of the coupon. Rather, to the extent the coupon is validated, this is done after the retailer (10) sends coupons, which have *already* been redeemed by a customer, to a remote redemption center (13). Barnett discloses:

The *redeemed coupons* 18 are transmitted to a coupon redemption center 13 where they are electronically read, and user-specific data is stored in a coupon redemption database 12. Barnett at col. 7 lines 18-21 (*emphasis added*).

The coupon redemption center 13 receives from a number of stores 10 the *coupons redeemed*, verifies the value of the *redeemed coupons*, determines the identification of users who redeemed the coupons, and distributes the information read from the coupons 18 to the individual coupon issuer 14 and to the coupon distributor 16. In particular, information regarding the redemption amount and the redeeming store 10 is forwarded to the particular coupon issuer 14 named on the coupon 18, which then credits the redeeming store 10 with the total amount of discounts given. Barnett at col. 7 lines 36-45 (*emphasis added*).

Thus, Barnett discloses after the fact validation. The Examiner alleges

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without support that Barnett discloses: "when a duplicate of the coupon, that is already redeemed, is presented for subsequent redemption, the system is operable to validate or verify *in real-time* the authenticity of the presented (duplicate) coupon *before* crediting the customer's order." *See* Final Action at pg. 25, lines 18-20 (*emphasis added*).

Nor does determining if a product related to a coupon is being purchased does not mean that the coupon itself is valid. Rather, this relates to determining product eligibility. Barnett does not disclose the claimed feature for "determining if *a coupon presented by the consumer* is valid."

Furthermore, the Examiner makes reference to Spector and Lemon which are cited in the background section of Barnett. These references, however, do not cure the deficiencies in Barnett. Neither discloses the Coupon Validation Limitation.

For *at least* these reasons, none of the references cited by the Examiner, either alone or in combination teach all of the elements of independent claims 1, 11, and 16.

2. Dependent Claim 2

The Examiner admits that Barnett does not disclose the features of claim 2. See Final Action at pg. 6 lines 1-4. In response to Appellant's request for documentary evidence to support the Official Notice (*see* Response of May 2, 2005, at pg. 8 ¶7), the Examiner cites U.S. Patent 5,887,271 to Powell as evidence for taking such Official Notice. *See* Final Action at pg. 24, line 20-pg. 25, line 3. Powell does not cure the deficiencies of Barnett, as discussed above with reference to claims 1, 11, and 16. Accordingly, the rejection of claim 2 is improper and should be withdrawn.

3. Dependent Claim 4

Claim 4 further highlights why merely determining product eligibility does not meet the Coupon Validation Limitations. Claim 4 recites: "wherein said redemption

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means comprise means for counting a number of times the consumer *redeemed* a particular coupon, and fraud indication means for indicating fraud if the number of times a coupon is *redeemed* by the consumer exceeds a predetermined amount." (*Emphasis added*). When read in conjunction with claim 1, the claim recites redemption means at the retail location for counting the number of times a particular coupon is redeemed by a consumer. The references relied on do not show this occurring at the retail location.

4. Dependent Claim 6 and 12

Claims 6 and 12 further highlight why determining product eligibility does not meet the Coupon Validation Limitation. These claims recite "...wherein said redemption means retrieves coupon information from said database" and "wherein determining if a coupon presented by the consumer is valid comprises accessing the database." The references relied on do not do this with redemption means structure located at the retail location.⁵

5. Dependent Claims 7 and 8

Claims 7 and 8 further recite the claim element(s) of "...means for accessing comprise a computer diskette," and "wherein said computer diskette contains data from said remote computer network entered on said computer diskette prior to use of said in-store redemption system." The Examiner provides no evidence to support the rejection of claims 7 and 8. Rather, the Examiner broadly states, without any evidentiary support, that "software or a tool encoded on a computer readable medium to a user or customer ...is a well established business method practiced in the industry for many years....ISP's such as AOL (America Online) have been distributing free software encoded on 1.44 floppy diskettes to selected users." See Final Action at pg. 10 line 19- pg. 11 line 1. Even if such

⁵ The accessed database can be remote.

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statements were true (which is not admitted), they still do not teach the specific claim elements or the context in which such disks are used in the context of the invention. As such, the rejection of claims 7 and 8 is improper and should be reversed.

6. Dependent Claim 13

Claim 13 further recites the claim element(s) of "determining if a coupon presented by the consumer is valid comprise accessing the database in real-time." The references relied on do not disclose *real-time* verification being done at the retail location for validating the coupon before it is redeemed. For at least this reason, the rejection of claim 13 is improper and should be reversed.

7. Dependent Claims 3, 5, 9, 10, 14, 15, 19, and 24-27

Dependent claims 3, 5, 9, 10, 14, 15, 19, and 24-27 depend from at least one of allowable independent claims 1, 11, and 16 and are allowable for the reasons set forth above, as well as for the further limitations they contain.

C. Claims 1, 4, 9, 10, 11-16 and 24-27 are Patentable Under 35 U.S.C. §102(b)

Claims 1, 4, 9, 10, 11-16 and 24-27 stand rejected under 35 U.S.C. §102(b) as allegedly being anticipated by Lemon. This rejection is legally deficient for at least the following reasons.

1. Independent claim 1, 11, and 16

Lemon fails to disclose, among other things, the Coupon Validation Limitation. The Examiner alleges that: "Lemon silently supports the step of validating a coupon." See Final Action, pg. 25 lines 4-5. Silently or otherwise, Lemon does not disclose these claim features. The majority of the Lemon reference addresses the dispensing of coupons, not the redemption by a consumer. Limiting the number of coupons printed is separate and

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distinct from validating coupons that have been printed.

Lemon further address coupon eligibility. Lemon states:

Furthermore, electronically readable uniform product codes may be included on the coupon in the same fashion as the expiration dates or other data specified herein so that an appropriately programmed check out register can read the product code on the coupon and apply the coupon discount only if a product bearing the identical product code has been purchased. This feature prevents customers from overwhelming the store's employees with a large number of coupons and groceries at peak business hours to obtain the benefit of the coupon discount without purchasing the corresponding product. Lemon at Col. 6 lines 40-47

As such, Lemon determines if a *product* related to the coupon is being purchased and is eligible for a discount. This does not determine if the coupon itself is fraudulent or invalid. For example, if the coupon is a photocopy of a previously redeemed coupon, Lemon's system will not know.

Additionally, the Examiner relies on the following passages from Lemon as disclosing one or more of Appellant's claim features: col. 1 line 55- col. 2 line 24; col. 5 line 45- col. 6 line 10; col. 4 line 35-64; col. 3 line 29- col. 4 line 6; col. 30 line 29-39; and col. 4 line 52-64. See Final Action at pgs. 16-20. None of these cited passages disclose at least the Coupon Validation Limitation.

2. Claim 4

Claim 4 recites: "redemption means comprises means for counting a number of times the consumer *redeemed* a particular coupon." Lemon (at col. 2, lines 16-20) discloses that "the system enables the manufacturer to limit the number of a particular coupon issued from a terminal as well as the number issued in response to activation by a particular credit card related to a customer." Here, the Examiner confuses limiting the number of times a coupon can be printed with counting the number of times the coupon is redeemed. Lemon may be configured to prevent a user from using the same credit card to

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download the same coupon more than a number of times misses the point. *See* Final Action at pg. 25 lincs 9-12. This passage of Lemon relates to dispensing coupons, not to checking validity when redeeming coupons, as recited in claim 4. As such, for at least these reasons, the rejection of claim 4 is improper and must be withdrawn.

3. Claims 12 and 13

Claim 12 further recites the claim element(s) of: "determining if a coupon presented by the consumer is valid comprises accessing the database. Claim 13 recites: "accessing the database in real-time." Lemon does not disclose these features. Rather, Lemon discloses that history reports may be provided to manufacturers which can be used to verify actual coupon redeemed information so that manufacturers may refuse to make payment to the retailers having fraudulent claims. *See* Lemon at col. 3, line 63- col. 4, line 6 and; col. 30, lines 29-39. This occurs after coupons have been redeemed and the consumer is credited. Moreover, this relates more to retailer fraud than consumer fraud.

Lemon further discloses that when the consumer presents a coupon, the "programmed checkout register can read the product code on the coupon and apply the coupon discount only if a product bearing the identical product code has been purchased." *See* Lemon at col. 6 lines 44-47. This relates to coupon eligibility not coupon validity. For at least these reasons, the rejection of claims 12 and 13 based on Lemon is improper and should be reversed.

4. Claims 9, 10, 14, 15, and 24-27

Dependent claims 9, 10, 14, 15, and 24-27 are allowable over Lemon because they depend from at least one of allowable independent claims 1, 11, 16 for the reasons set forth above, as well as for the further limitations they contain.

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D. Claims 16-27 are Patentable Under 35 U.S.C. §102(e)

Claims 16-27 stand rejected under 35 U.S.C. §102(e) as being allegedly anticipated by Powell. This rejection is legally deficient at least because Powell does not disclose the Coupon Validation Limitation.

The Examiner states that Powell discloses determining which discounts should be applied based simply on whether a scanned product matches a UPC on a discount list stored in a card. *See* Final Action at pg. 22, lines 2-9, and *Powell* at col. 7, lines 42-48. At best, Powell relates to whether an eligible product is being purchased, not coupon validity. For at least these reasons, the rejection of claim 16 is improper and should be reversed.

Dependent claims 17-26 are allowable at least because they depend from allowable independent claim 16, as well as for the further limitations they contain.

The rejection of claim 27 over Powell is clearly baseless. Claim 27 depends from claim 1. The rejection fails to even address claim 1 under the section 102 rejection based on Powell. Nor does the Examiner address the specific limitations of claim 27. As such, the rejection is clearly improper and should be reversed.⁶

VIII. Claims Appendix - 37 C.F.R. §41.37(c)(1)(viii)

Appendix A: The pending claims (claims 1-27) are attached in Appendix A.

IX. Evidence Appendix - 37 C.F.R. §41.37(c)(1)(ix)

None

⁶ This clear legal error is evidence of the improper "shotgun" rejection approach taken by the Examiner.

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X. Related Proceedings Index - 37 C.F.R. §41.37(c)(1)(x)

None

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Conclusion

For at least the foregoing reasons, Appellants respectfully request that the rejections of pending claims 1-27 be reversed.

Date: January 23, 2006

Respectfully submitted,

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Appendix A

Claims

1. **(Previously Presented)** An in-store redemption system for generating coupons comprising:

a database of coupon information including information about coupons available, consumer account information, and information for associating selected ones of the available coupons with consumer accounts;

means, located at a retail location, for accessing the database, the means for accessing including, input means for enabling a consumer to enter account information, display means for displaying information about the coupons available to the consumer account, and selection means for enabling the consumer to select desired ones of the coupons based on the displayed information;

a printer, located at the retail location, for printing the selected coupons; and redemption means, at the retail location, including a scanner for scanning coupons at the retail location checkout and means for determining if a coupon presented by consumer is valid prior to crediting the consumer with a redemption value associated with the coupon.

2. **(Previously Presented)** The in-store redemption system of claim 1, wherein said means for accessing comprise a keyboard.

3. **(Previously Presented)** The in-store redemption system of claim 2, wherein said means for accessing further comprise means for transmitting data to and from a remote computer network.

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4. **(Previously Presented)** The in-store redemption system of claim 1 wherein said redemption means comprises:
means for counting a number of times the consumer redeemed a particular coupon,
and
fraud indication means for indicating fraud if the number of times a coupon is
redeemed by the consumer exceeds a predetermined amount.

5. **(Previously Presented)** The in-store redemption system of claim 4,
wherein the account information is imprinted on a selected coupon as a bar code.

6. **(Previously Presented)** The in-store redemption system of claim 3,
wherein said redemption means retrieves coupon information from said database.

7. **(Previously Presented)** The in-store redemption system of claim 3,
wherein said means for accessing comprise a computer diskette.

8. **(Previously Presented)** The in-store redemption system of claim 7,
wherein said computer diskette contains data from said remote computer network entered
on said computer diskette prior to use of said in-store redemption system.

9. **(Previously Presented)** The in-store redemption system of claim 15,
wherein the updating means provides additional virtual coupons for a selected category of
products based on the redemption data of the consumer.

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10. **(Previously Presented)** The in-store redemption system of claim 15, wherein the updating means provides fewer virtual coupons for a selected category of products based on the redemption data of the consumer.
11. **(Previously Presented)** A system for generating coupons, comprising:
a database of coupon information including information about coupons available, consumer account information, and information associating selected ones of the available coupons with consumer accounts;
a database access module, located at a retail location, that accesses the database by enabling a consumer to enter account information, displaying the information about coupons available to the consumer account, and enabling the consumer to select desired ones of the coupons based on the displayed information;
a printer, located at the retail location, that generates the selected coupons; and
a redemption module, at the retail location, including a scanner for scanning coupons at the retail location checkout, that determines if a coupon presented by a consumer is valid prior to crediting the consumer with a redemption value associated with the coupon.
12. **(Previously Presented)** The system of claim 1, wherein determining if a coupon presented by the consumer is valid comprises accessing the database.
13. **(Previously Presented)** The system of claim 1, wherein determining if a coupon presented by the consumer is valid comprises accessing the database in real-time.

14. **(Previously Presented)** The system of claim 1, wherein the redemption means generates redemption data indicating the coupon has been redeemed.

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15. **(Previously Presented)** The system of claim 14, further comprising updating means for updating the database based on the redemption data.

16. **(Previously Presented)** An in-store redemption system for generating coupons comprising:

a database of coupon information including information about coupons available, consumer account information, and information for associating selected ones of the available coupons with consumer accounts;

means, located at a retail location, for accessing the database, the means for accessing including, input means for enabling a consumer to enter account information, display means for displaying information about the coupons available to the consumer account, and selection means for enabling the consumer to select desired ones of the coupons based on the displayed information; and

redemption means, at the retail location, including a scanner for scanning coupons at the retail location checkout and determining if a coupon presented by a consumer is valid prior to crediting the consumer with a redemption value associated with the coupon.

17. **(Previously Presented)** The in-store redemption system of claim 16, including downloading means for downloading the selected coupons to a frequency card.

18. **(Previously Presented)** The in-store redemption system of claim 16, including printing means, for printing a temporary frequency card.

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19. **(Previously Presented)** The in-store redemption system of claim 16, including means for generating a shopping list from the selected coupons.

20. **(Previously Presented)** The in-store redemption system of claim 17, wherein the frequency card allows products to be purchased.

21. **(Previously Presented)** The in-store redemption system of claim 17, wherein frequency card is a debit card.

22. **(Previously Presented)** The in-store redemption system of claim 17, wherein frequency card is a smart card.

23. **(Previously Presented)** The in-store redemption system of claim 17, including means for collecting purchasing data from frequency card usage.

24. **(Previously Presented)** The in-store redemption system of claim 16, including the retail location checkout having means for gathering coupon data and means for transmitting coupon data directly to manufacturer.

25. **(Previously Presented)** The in-store redemption system of claim 16, wherein the redemption means generates redemption data indicating the coupon has been redeemed.

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26. (Previously Presented) The in-store redemption system of claim 25, including updating means for updating database of coupon information based on redemption data.

27. (Previously Presented) The in-store redemption system of claim 1, including the retail location checkout having means for gathering coupon data and means for transmitting coupon data directly to manufacturer.

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